



PEPSI BEVERAGES COMPANY

July 15, 2010

Mr. Greg H. Price
8974 Garner Lane
Freeland, MI 48623

Dear Mr. Price,

This letter is written on behalf of the PepsiCo Administration Committee (the "PAC"), Plan Administrator of the PBG Hourly Pension Plan, which has been merged into the PepsiCo Hourly Employees Retirement Plan (the "Plan"). This letter is in response to your appeal for pension benefits under the Plan dated June 4, 2010. The PAC has concluded its review of your appeal under the Plan. The purpose of this letter is to provide you with the PAC's findings and final determination on your appeal.

In your pension benefit appeal you stated that you believe you "*meet all criteria in being able to collect 'Early Pension' due to my career ending injury that I sustained while working at Pepsi.*" You are requesting back pay as well as monthly pension checks.

Upon reviewing the facts and circumstances of your appeal, the PAC has found that the previous denial dated May 24, 2010 is upheld for the reasons set forth below.

Our records indicate that you (a) were hired on April 8, 1993; (b) were determined eligible for benefits under the PBG Long Term Disability Plan effective June 27, 2007; and (c) were determined ineligible for benefits under the PBG Long Term Disability Plan effective December 1, 2007; and (d) have not returned to work at Pepsi Beverages Company.

Section 4.6(b) of the Plan describes the Requirements for an Immediate Disability Pension. I have included excerpts of the relevant portion of the section below and I have enclosed this entire section of the Plan for your records.

Section 4.6(b) Requirements for an Immediate Disability Pension: *Subject to subsection (d), a Participant who meets the requirements in (a) is entitled to an Immediate Disability Pension.*

Section 4.6(d) Timing Rule: *Unless modified by the Election described in subsection (e), subsection (b) shall apply to Participants who become Totally and Permanently Disabled before January 1, 1993 and subsection (c) shall apply to Participants who become Totally and Permanently Disabled on or after that date.*

Section 4.6(e) Election Available to Certain Employees: *notwithstanding the provisions of subsection (d), Employees who were actively employed on the date subsection (c) began to apply to the Participating Employee Group, who become Totally and Permanently Disabled*



Greg H. Price
July 15, 2010
Page 2

after that date, and who are in a Participating Employee Group that was covered by subsection (b) on the day before subsection (c) began to apply to their Participating Employee Group, can irrevocably elect to receive the Immediate Disability Pension described in subsection (b).

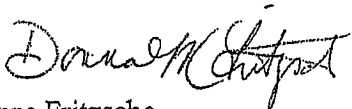
Since you were not deemed Totally and Permanently Disabled before January 1, 1993, you are not eligible for the Immediate Disability Pension according to Section 4.6(d). Additionally, since you were not employed prior to January 1, 1993, the date when subsection (c), the Deferred Disability Pension provision began to apply, you are not eligible for the Immediate Disability Pension according to Section 4.6(e).

As a result, the PAC has determined that you are ineligible for an Immediate Disability Pension.

Based on the Social Security Award letter you provided, you are eligible to receive Credited Service towards a Deferred Disability pension as described in Section 4.6(c) as long as you remain eligible for disability benefits under Social Security. If you remain disabled under Social Security, you can commence the Deferred Disability pension at 65, or as early as 55 on an actuarially reduced basis.

This is the PAC's final decision. You have the right to bring a civil action under section 502(a) of the Employee Retirement Income Security Act of 1974 ("ERISA"). In addition, upon written request and free of charge, you have the right to reasonable access or to receive copies of all documents, records and other information relevant to your claim.

Regards,



Donna Fritzsche
Manager, Retirement Plans

cc: PepsiCo Administration Committee
PBG Savings and Retirement Center at Fidelity